



Harland and Wolff
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Client:

**SS Titan
Foundation**

Project:

**Newbuild Liner
'Titan'**

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DOCUMENT DESCRIPTION:

**PRELIMINARY PROPOSALS
For
PROJECT FEASIBILITY AND
EXECUTION STUDY**

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Introduction

Harland and Wolff have been approached by the *SS Titan Foundation* regarding the design and construction of a very large liner. Considering the complexity and scale of the undertaking, Harland and Wolff advised the customer that they were not in a position to construct or provide financial guarantees on a project of this size. However, in order to assist the development of the project, Harland and Wolff could undertake a series of studies that would allow for structured and reliable progress.

The advice is to include studies relating to the marketing, financing, execution and operation of a modern liner / cruise vessel.

The project is understood to have moved on since Harland and Wolff last made an offer of assistance, and that a more detailed study is now appropriate. However, in order to ensure the best possible outcome from the study, significant discussions regarding business objectives are needed to allow development of the vessel design to a stage suitable for evaluating robust cost models.

This proposal outlines intended scope of deliverables to allow presentation material and supporting documentation to be developed for submission to potential investors etc.

Project Participants

Harland and Wolff, based in Belfast (Northern Ireland) have extensive experience in the shipbuilding and ship repair markets on a wide range of vessel types. Harland and Wolff have been recently involved in preparation of comprehensive bids for many prestigious cruise vessel projects including Queen Mary 2 and have vast experience of design and ship financing.

Harland and Wolff are a member of Fred Olsen Energy group of companies with access to their considerable experience in marine issues.



Executive Summary

Harland and Wolff are pleased to offer services generally in accordance with Scope of Work as understood. The offer is made subject to Harland and Wolff Board approval and agreement on scope and schedule for deliverables outlined herein.

The works will be further detailed and defined following agreement on general scope herein. It is estimated the works will be delivered 7 weeks after contract award.

Input Data

It is recognised little available information concerning the project is available. Harland and Wolff will make best use of their experience and extensive network of contacts to develop proposals.

Methodology

Documentation will be prepared in English language and shall utilise the metric (SI) system for dimensions.

Reports and documentation shall utilise MS Office (Word and Excel) so far as practical. Technical design reports shall use proprietary software in use at H&W.

H&W standard drawing forms and standards shall apply.



Deliverables

In order to proceed and to develop the project within the anticipated short time frame, the following investigations are proposed:

- Establish and define the main particulars of the cruise vessel project in terms of:
 - Number of passengers and cabins.
 - Other main facilities of the project.
 - Approx. length, beam, draft, dead weight, speed, endurance of the vessel
 - Other matters special for this project.
- Budget estimation of building cost for the cruise vessel project.
- Listing of shipyards qualified to build the intended vessel.
- Financial sources and terms available in the market for intended vessel type.
- Estimation of costs for operating the vessel
- Estimation of average turnover generated by the cruise vessel
- Estimation of average profit
- Estimated return of investment
- Establish a draft final report and balance for operation of the cruise vessel project.
- Risk analysis (optional)

In connection with the presentation of the project to the investors etc. concept drawings and artistic impressions should be made in order to visualize the size and to underline the luxury and the opulence of the project. Typical visualisation material (non project specific) may be used or alternatively special works may be commissioned if agreed.

Parallel to the above the following activities and tasks could be made:

- Establishment of business idea business concept.
- Activities (on-board shows and events)
- Cruise routes and port facilities
- Identification of target groups, cultural background, temporal/religious considerations.
- Short term strategy.
- Middle term and long term prospective
- Sales and marketing considerations. Travel agents



It should be recognised that many of the above tasks will require to be revisited following feedback and should form part of subsequent study works. Because of the scope and time period all estimates, dimensions, quantities etc should be considered budget indication only and may be derived from experience and library data.

Price and Payment Terms

The cost for developing proposals (exclusive of travel costs and specialist printing and artistic works which will be charged at cost plus a small administration fee) are offered for a fee of :

£89,975.00 (eighty-nine thousand, nine hundred and seventy-five pounds sterling)

Payment Schedule

Payment schedule to be agreed.

The following is proposed:

50% total at Contract award

50% total at Completion (Submission of Survey Report)

Project Schedule

It is estimated the proposals for this stage of the project will be completed 7 weeks after contract award and agreed start date.

It is proposed that one meeting takes place in Belfast approximately 2 weeks after commencement.

General Terms and Conditions

Harland and Wolff standard terms and conditions are proposed and attached.



**'Titan'
Newbuild Liner**

Comments and Clarifications

Harland and Wolff have prepared this quotation based on deliverables scope identified herein. Any changes to proposed scope to be subject to cost and schedule adjustment agreement.

Harland and Wolff assume requests for further information will not be unreasonably withheld and shall be expedited in a timely manner.

Attendance at meetings and associated travelling, accommodation and sustenance costs are excluded and will be charged at cost plus 10%.

The price excludes Classification Society costs.